and Railways keeping in view the local requirements of field offices. The annual Finance Accounts and Appropriation Accounts are also test checked, certified and thereafter placed before State Legislatures/Parliament.

(b) Cases of financial irregularities, unfruitful/infructuous expenditure, deviations from the prescribed procedure, defective sanctions, excess expenditure, losses etc. noticed during audit are brought to the notice of Head of Office/Department, Administrative Secretary of the department concerned. The important and major objections noticed during the audit which merit being preported to the Parliament and State Legislatures are included in the Reports of the Comptroller & Auditor General of India which are placed before the State Legislatures and the Parliament.

(c) According to standing instructions, remedial/corrective action is required to be taken by the executive departments on Audit observations. In respect of matters included in Audit Reports which are examined in detail by the Public Accounts Committees, Government is required to furnish Action Taken Notes on the recommendations made by the Committee.

Duty on Import of Aircrafts and Spares

5399. SHRI E. BALANANDAN : Will the Minister of FINANCE be pleased to state :

(a) what is the response in aviation circles to the budget proposals to abolish the three percent duty for the import of aircraft and 17 percent excise duty on spares;

(b) how his Ministry is favouring some of the International Airlines for equity participation with private Indian Operators causing damage to National carriers; and

(c) the reasons thereof and how much business and foreign exchange the three National carriers will part with individually ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Aeroplane and helicopter were fully exempted from import duty even prior to the budget 1994-95. This exemption continues. Customs duty on other aircrafts has been reduced from 85% to 65% in this year's budget. So far as spares are concerned, all spare parts (other than rubber tyre and tubes for aeroplane) for servicing of aeroplane or helicopter have been fully exempted from excise duty. The duty changes would help in making air services cost effectives.

(b) and (c) Foreign equity participation under the air taxi scheme is permitted to a ceiling of 40%. This would enable the air taxi operators to have a larger capital base. The permission is to be granted on a case-to-case basis on merits. So far only in one case, foreign equity participation has been allowed. As a result of air taxi operations, Indian Airlines traffic has been affected adversely. However, quantification of exact loss of business and foreign exchange to the national carriers is not possible as it depends upon various factors like consumer behaviour etc. which cannot be predicted.

Stock Exchange at Itanagar

5400. SHRI NYODEK YONGGAM : Will the Minister of FINANCE be pleased to state :

(a) whether Government had received any memorandum from the Chief Minister of Arunachal Pradesh to open a Stock Exchange at Itanagar, the capital of Arunachal Pradesh; and

(b) if so, what is the reason for the delay in sanctioning of the stock exchange at Itanagar ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) The Chief Minister, Arunachal Pradesh, had sent a letter requesting for approval of the Government for establishment of a Stock Exchange in Arunachal Pradesh.

(b) A reply has already been sent to the Chief Minister, Arunachal Pradesh stating that the establishment of a Stock Exchange in the State does not seem justifiable.

Coverage to Railway Pensioners under 5th Pay Commisssion

5401. SHRI MD. SALIM : Will the Minister of FINANCE be pleased to state :